

News Release

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Guy Carpenter's New Casualty Cat Model Helps Carriers Uncover Hidden Risks

Model Allows Carriers to Identify Product Liability Accumulations,
Take Informed Action, and Protect Capital

New York, October 27, 2008

Guy Carpenter & Company, LLC, the leading global risk and reinsurance specialist, today published a briefing focusing on product liability applications of its newly launched Casualty Cat model. Jointly developed with Arium, Ltd., the model helps carriers identify the hidden product liability accumulations in their portfolios, delivering the insights needed to take action and protect their capital.

“Product liability is one of the most persistent, complex challenges that casualty carriers face,” said George Carrington, Managing Director, Guy Carpenter. “Collaboration is essential to the development of products in today’s economy, but it also presents new avenues for risk. The Casualty Cat model maps risks both across industries, lines of business, and globally, thus providing a platform for uncovering hidden exposures. Carriers can use metrics such as insureds’ policy limits and premiums to estimate losses, assess relative vulnerabilities, and assign risk loads – along with other portfolio management tasks, thereby preserving capital.”

The briefing outlines the elusive nature of product liability exposures and the ways in which high technology, globalization, and legal considerations can have a deep and profound impact on carriers.

“Product liability events have the potential to evolve into ‘casualty catastrophes’ that reach across all areas of the organization, often resulting in a network of claims and jury awards,” added Mr. Carrington. “Casualty Cat provides a new approach to product liability risk management based on an integrated evaluation of the entire portfolio, rather than trying to hedge against individual risks.”

The Casualty Cat model allows carriers to evaluate both single- and multi-peril casualty catastrophe risks held in their portfolios. By analyzing inter-industry trading and supply chain data, the model develops a risk accumulation profile that provides a starting point for risk mitigation planning. In addition, the model can quantify realistic disaster scenarios and map out the trading links among all insureds in a portfolio, revealing casualty accumulations.

The Casualty Cat briefing is available on www.GCCapitalIdeas.com, Guy Carpenter’s new intellectual capital website. Leveraging blog technology, including Real Simple

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Syndication (RSS) feeds as well as searchable category tags, the website delivers Guy Carpenter's latest research as soon as it is posted. In addition, articles can be delivered directly to BlackBerrys and other handheld devices.

About Guy Carpenter

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. With 50 offices worldwide, Guy Carpenter creates and executes reinsurance solutions and delivers capital market solutions* for clients across the globe. The firm's full breadth of services includes line of business expertise in Agriculture; Aviation; Casualty Clash; Construction and Engineering; Excess and Umbrella; Life, Accident and Health; Marine; Medical; Political Risk and Trade Credit; Professional Liability; Property; Retrocessional Reinsurance; Surety; Terrorism and Workers Compensation. GCFac® is Guy Carpenter's dedicated global facultative reinsurance unit that provides placement strategies, timely market access and centralized management of facultative reinsurance solutions. In addition, Guy Carpenter's Instrat® unit utilizes industry-leading quantitative skills and modeling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. Guy Carpenter's website address is www.guycarp.com.

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